

Eurogroup statement on Greece of 17 June 2021



The Eurogroup discussed Greece's progress with reform implementation and its macro-economic outlook, on the basis of the tenth enhanced surveillance report published on 2 June.

After a sharp contraction of economic activity in 2020, the Commission's Spring forecast shows a substantial economic recovery in Greece in 2021 and 2022. The timely, targeted and temporary support measures taken by the Greek authorities have cushioned the effect of the pandemic on businesses, workers and the healthcare sector. The authorities' efforts have been supported by the new EU instruments that aim to mitigate the effects of the pandemic and support economic recovery. The employment protection measures taken by Greece are being supported by the EU, notably through the new instrument for Support to Mitigate Unemployment Risks in an Emergency (SURE) and the European Social Fund. The expected launch of reforms and investments supported through the EU's Recovery and Resilience Facility will provide an additional growth impulse. The implementation of Greece's Recovery and Resilience Plan should provide a basis to consolidate efforts towards the green and digital transition.

We welcome the progress made with reform implementation that has been achieved in the challenging circumstances of the Covid-19 pandemic. In particular we welcome the implementation and entering into force of the major reform of the Greek insolvency framework that was agreed last year. We also welcome the implementation of the third and final pillar of the Guaranteed Minimum Income (GMI). By implementing the GMI, Greece has put in place an effective and targeted framework for providing social support and tailor-made employment services, thereby directly targeting improvements in poverty levels. Other areas in which good progress has been achieved include public sector human resource management, notably as regards the tax administration, public procurement, and measures to enhance the implementation of large public investment projects.

The increased uncertainty entailed by the pandemic continues to underscore the need to tackle decisively the existing medium-term risks and challenges identified in the 10th enhanced surveillance report. We encourage the Greek authorities to continue and, where necessary, reinforce their efforts with regard to financial sector reforms and to proceed with implementing the arrears clearance plan. In particular, we note the delay the suspension of court proceedings has caused in the clearance of the backlog of insolvency court cases and call upon the Greek authorities to accelerate their efforts to reduce the backlog. We welcome in this context that the horizontal suspension of enforcement measures was lifted on 5 April and look forward to the full resumption of this process. These issues will continue to be monitored in the context of enhanced surveillance.

Against this background, the Eurogroup welcomes the assessment by the European institutions that, despite the challenging circumstances caused by the pandemic, Greece has taken the necessary actions to achieve its specific reform commitments, and that the necessary conditions are in place to confirm the release of the fifth tranche of policy-contingent debt measures. Subject to the completion of national procedures, the Eurogroup Working Group and the Board of Directors of the European Financial Stability Facility (EFSF) are expected to approve the transfer of SMP-ANFA income equivalent amounts and the reduction to zero of the step-up interest margin on certain EFSF loans, which are worth EUR 748 million in total. We look forward to the eleventh enhanced surveillance report, which is expected to be published in September 2021.

[Visit the meeting page](#)